external commercial borrowings. The Government has announced a fiscal package which includes additional plan expenditures, reduction in the ad valorem Cenvat rate and measures to support exports. These measures have ensured the effective functioning of the financial system and improvement in liquidity in the money market.

Status of State Maritime Boards

1617. SHRI NATUJI HALAJI THAKOR :
SHRI KANJIBHAI PATEL :
Will the PRIME MINISTER be pleased to state:

(a) whether the status of State Maritime Boards has been excluded from the definition of local authority under the Finance Act, 2003;

(b) if so, the reason therefor;

(c) whether some of the States have made representations to Government for waiving of Income Tax from the State Maritime Boards?

(d) if so, the reaction of Government thereto; and

(e) whether Government would consider the State Maritime Boards as "Local Authority" since it is a public utility organization and has no motive to earn profit?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) Vide Finance Act, 2002, definition of "local authority" under clause (20) of section 10 was made restrictive so as to include Panchayats, Municipalities, Municipal Committee and District Boards and Cantonment Boards only. This amendment was made effective from 1st April, 2003. Entities like State Maritime Boards thus went outside the scope of exemption available under that section.

(b) The above amendment was based on the recommendation of Advisory Group on Tax Policy and Tax Administration for the Tenth Plan which had suggested deletion of exemption provided under section 10(20) of the Income-tax Act. The restrictive definition was adopted considering the need to phase out exemptions consistent with a moderate tax regime. However, exemption in the case of Panchayats, Municipalities, Municipal Committee etc. was retained as they are local self-government institutions.

(c) Yes, Sir.

(d) The request was examined and not found feasible.

(e) The restrictive definition of the term 'local authority' was adopted considering the need to phase out exemptions while moving towards a moderate tax regime. Policy imperatives currently being the same, revival of exemption to State Maritime Boards is not under consideration.

Budgetary allocation for development schemes

1618. SHRI MOINUL HASSAN: Will the PRIME MINISTER be pleased to state:

(a) the per capita budgetary allocation in 2003-04 and 2008-09 on Sarva Shiksha Abhiyan, Mid-day Meal Scheme, Integrated Child Development Scheme and Rural Employment Schemes each separately; and